inter alia creation of enabling environment, infrastructure development, possible measures for reduction in wastages, increase in level of processing, enhancement in value addition, generation of employment etc. The proposed Policy also seeks to develop linkages with farming system, which is helpful in production of processable variety and remunerative income to farmers. As formulation of policy involves consultation with concerned Ministries and other stakeholders, it is difficult to indicate the precise time limit by which the policy will be finalized.

(c) to (f) No approval of the Ministry of Food Processing Industries is required for setting up of the food processing projects. However, a Plan Scheme has been implemented to provide financial assistance for establishment/modernization/expansion of the food processing industries. Under the scheme, assistance is released to the promoter of the project on usual terms conditions provided the project has been recommended by the concerned State Nodal Agency and found technically and commercially viable by the appraising bank/financial institution. Besides, several measures have been initiated by the Government from time to time for promotion of food processing industries. Such measures include exemption from payment of excise duty to fruit and vegetable processing units, exemption of most of the processed food items from purview of licensing under the Industrial Development and Regulation Act, 1951, inclusion of FPI sector in the list of priority sector lending, provision of infrastructure and other schematic assistance etc. Recently in 2004-05 for giving boost to growth of food processing industries, Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. In the Union Budget for 2005-06 excise duty of Rs. 1.00 per kg. on refined edible oil and Rs. 1.25 per kg. on Vanaspati abolished and customs duty on refrigerated vans was reduced from 20% to 10%.

Promotion of agri-business

1882. SHRIMATI KAMLA MANHAR: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Government have recently formulated a

policy in regard to strategy and action plan for food processing sector and promotion of agri-business;

(b) if so, the details thereof;

(c) the areas which are likely to be benefited by the said policy; and

(d) by when the policy is likely to come into force?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (d) Recently Government had asked M/s Rabo India Finance Private Limited to study *inter alia* the constraints faced by Food Processing Sector, prepare a vision for the sector and suggest strategies to overcome the same. As per their report, major constraints being faced by food processing sector are inadequate infrastructural facilities, lack of adequate quality control and testing infrastructure, inefficient supply chain, lack of processable varieties of farm produce, seasonality or raw material, high inventory carrying cost, lack of easy and concessional credit/lending by banks, high taxation, high packaging cost, affordability, cultural preference of fresh food etc. In order to address these constraints, a draft National Policy for Food Processing/Agri-business has been prepared. Meanwhile in order to give boost to growth of FPI sector, Government in the year 2004-05 has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro-processing industries set up to process, preserve and package fruits and vegetables. In order to increase export of processed food, financial assistance is provided to FPI units to adopt ISO, HACCP and GMP certification.

Popularising processed food

1883. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether Government have any plan to popularize processed food in the country;

(b) whether Government propose to enlighten the public on the presevatives used in processed food; and

(c) the details of the steps taken in this direction?